

C O U N C I L C O M M U N I C A T I O N

TO: THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

COUNCIL MEETING DATE
JUNE 6, 1990

SUBJECT: INSURANCE PROGRAM FOR RENTAL OF CITY FACILITIES

PREPARED BY: City Manager

RECOMMENDED ACTION: That the City Council approve an agreement with Max Elson Insurance, Inc. to provide insurance coverage for the City in connection with the rental of various City facilities for private functions and public shows, and authorize the City Manager to execute same.

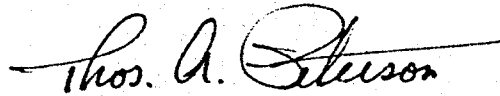
BACKGROUND INFORMATION: One of the requirements in the renting of a City facility by an individual or an organization is that the renter provide proof of adequate insurance coverage naming the City of Lodi an additional insured. Administering this requirement has been a most difficult assignment. For reasons unknown to anyone, obtaining a Certificate of Insurance naming the City an additional insured is a request that seems to confound many insurance companies. The City frequently either does not receive what is required, or if it does, the terms and conditions of the certificate are amended at the eleventh hour. This then results in last-minute, hurried efforts to seek out the insurance carrier, the renter, or both. The frustration level is very high and the renter becomes distraught over the prospect of the event being cancelled because the required insurance is not in place. The scenes can be most unpleasant.

Discussions with the City's insurance consultant, Mr. Jim Elson, have produced an insurance coverage program that staff believes will meet both the City's and the renters' needs. This program will provide the general liability coverage the City requires at a minimum cost to the renter of the facility. The premium is based on hazard schedules presented in the attached (Exhibits A, B & C). The premiums for a single date event are based on the hazard schedule, plus the number of people attending the event. The premium rate schedule is also attached (Exhibit D). For example, a wedding reception, which is listed in Hazard Schedule I, with 200 people in attendance, would be charged an insurance premium of \$80. A rock concert in the Grape Bowl (Hazard Schedule 111), with 4,000 people in attendance, would be charged \$600. The coverage requires a minimum retained deposit, which would be a City expenditure of 52,500. If the City subsequently cancels this agreement, the deposit is returned.

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This program will insure that the City of Lodi has appropriate insurance coverage for every event in City facilities rented for private use and/or private enterprise-staged productions. Mr. Elson will be in attendance at Wednesday night's meeting to present whatever additional information the City Council may request.

Respectfully submitted,

A handwritten signature in cursive script, reading "Thos. A. Peterson".

Thomas A. Peterson
City Manager

TAP:br

Attachments

EXHIBIT A

HAZARD SCHEDULE I

Effective on and after JANUARY 1, 1990 12:01 A.M. Standard Time
this endorsement forms part of policy No. CGL 19990076 Expiration Date JANUARY 1, 1991
Issued to TULIP
By GULF INSURANCE Company

SCHEDULE OF HAZARD/RISK CLASSIFICATIONS (Low/Minimum Hazard Risks)

Antique Shows
Art Festivals
Art shows
Auctions
Auto Shows
Awards Presentations
Ballets
Banquets
Bazaars
Beauty Pageants
Bingo Games
Boat shows
Body Building Contests
Business Meetings
Business Shows
Celebrations
Chambers of Commerce Events
charity Benefits, Auctions & Sales
Cinemas
Civic Clubs & Group Meetings
Classical Music Concerts
Concerts - Indoors (under 1,500)
Consumer Shows
Conventions in Buildings
Craft Shows
Dance Shows
Debutante Balls
Dinner Theaters
Drill Team Exhibitions
Educational Exhibitions
Electronics Conventions
Exhibitions
Exhibits in Buildings
Expositions - Capacity
Fashion Shows
Fishing Events
Rower Shows
Garden Shows

Graduations
Gun & Knife Shows
Gymnastic Competitions
Harvest Festivals
Home Shows
Housing Shows
Ice Skating Shows
instructional Classes (Nonmechanical)
Ladies Club Events
Lectures
Legitimate Theater
Luncheons
Meetings (Indoors)
Mobile Home Shows
Motion Picture Theaters
Musicals (Not Rock)
Operas
Operettas
Organized Sight-seeing Tours
Outings
Overnight Camping
Pageants
Parties
Plays
Proms
RV Shows
Scouting Jamborees
Seminars
Social Gatherings
Social Receptions
Speaking Engagements
Symphony Concerts
Teleconferences
Telethons
Theatrical Stage Performances
Trade Shows in Buildings
Vacation Shows
Wedding & Receptions

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EXHIBIT B

HAZARD SCHEDULE II

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SCHEDULE OF HAZARD RISK CLASSIFICATIONS (Medium Average Hazard Risks)

| | |
|--|---------------------------------------|
| Aerobics & Jazzercise Classes | Old Timers Events |
| Animal Training | Parades (Under 500 Spectators) |
| Block Parties/Street Closures (excl. Beaches) | Picnic Grounds Without Pools or Lakes |
| Concerts Outdoor (Not Rock - Under 1,500 Admissions) | Political Rallies |
| Dances & Parties | Religious Assemblies |
| Debuts | Reunions |
| Dogs Shows | Rummage Sales |
| Evangelistic Meetings | School Bands |
| Exhibitions | Seances |
| Exhibitions (Outdoor) | Sidewalk Sales |
| Food Concessions | Soap Box Derbies |
| Horse Shows | Social Gatherings (Outdoors) |
| Hotel Shows | State & County Festivals & Fairs |
| Jam & Jazz Sessions | Street Fairs |
| Job Fairs | Swap Meets |
| Marathons (Walking, Running, etc.) | Trade Shows (Outdoor) |
| Meetings (Outdoors) | Voter Registration |
| Nite Club Shows | |

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EXHIBIT C

HAZARD SCHEDULE III

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SCHEDULE OF HAZARD/RISK CLASSIFICATIONS (Moderate Hazard/Increased Exposure/Average Risks)

Animal Acts/Shows
Arcades
Baseball
Bicycle Rallies
Carnivals (No Rides)
Casino & Lounge Shows
Concerts (Rock • Under 5,000)
Country Western Events
Ethnic Celebrations
Film Production (non action)
Heads of State Events
Junior Athletic Games
Karate Meets
Kiddielands (No Rides)

Live Entertainment
Livestock Shows
Meetings (Outdoors)
Picnic Grounds With Pools or Lakes
(Excluding Swimming and Diving Lessons)
Promoters (Subject to Special Rating)
Recreational Events
Ski Events
Softball
Sporting Events in Buildings (Non-Professional)
Tennis, Handball & Racketball Courts
Theatrical Road Shows
Union Meetings
ZOOS

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EXHIBIT D**PREMIUM SCHEDULE**

| <u>ADMISSION RANGES</u> | | | <u>RATES PER CLASS</u> | | |
|--------------------------------|----------|---------------|-------------------------------|------------|------------|
| | | | I | II | III |
| 1 | - | 100 | 40 | 75 | 150 |
| 101 | - | 500 | 80 | 150 | 250 |
| 501 | - | 1,500 | 120 | 200 | 350 |
| 1,501 | - | 3,000 | 180 | 300 | 450 |
| 3,001 | - | 5,000 | 240 | 375 | 600 |
| 5,001 | - | 10,000 | 350 | 450 | 750 |
| 10,000 | + | | TO BE DETERMINED | | |